

EXETER COMMUNITY POWER PROGRAM



EXETER ELECTRIC AGGREGATION PLAN

December 29, 2021

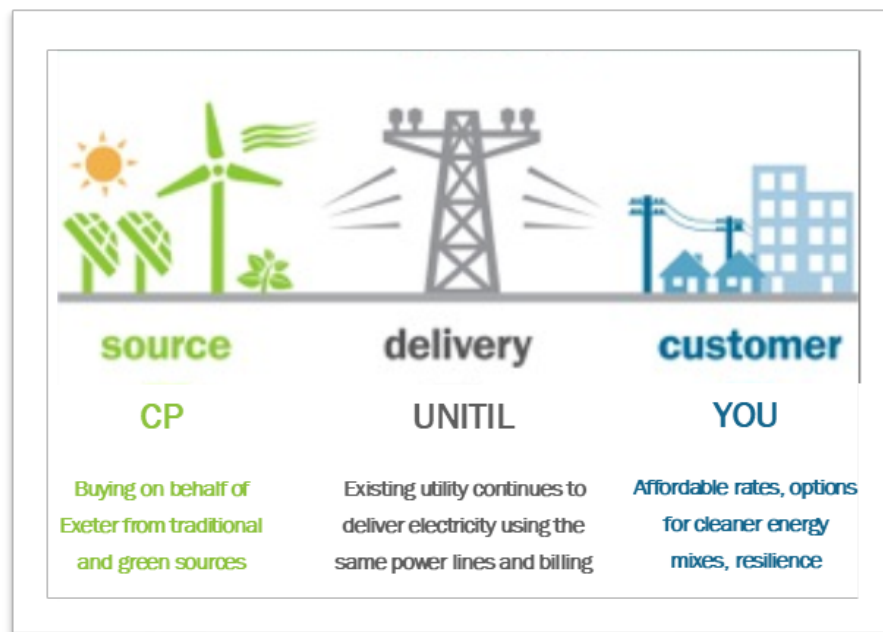


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1. Introduction

As described in this document, the Town of Exeter is developing a Community Power Aggregation Program to provide expanded choice for electric power supply and services for residential and commercial electric customers within the community. This document represents the Energy Aggregation Plan for the Town of Exeter as prescribed by RSA 53-E:6. The Plan has been prepared by the Exeter Community Power Aggregation Committee which was established by the Select Board in May 2021. It describes the purpose of the program, how it will be organized, implemented and operated. It is subject to approval by the Exeter Community Power Aggregation Committee and submission by the Select Board to Town Meeting for adoption by a majority of those present and voting.

What is Community Power Aggregation?

Community Power Aggregation (CPA) refers to the grouping of retail electric customers within a municipality or group of municipalities to provide, broker or contract for electric power supply and related services for those customers. Communities typically implement CPA programs for the sake of cost savings, environmental sustainability, sourcing electricity from local energy sources or some combination of these. With aggregation, Exeter has the potential to offer a wider choice of energy supply options and innovative services to its residents and business, including choices that include a larger proportion of renewable energy.

Community power aggregation programs only change the sources of electricity used to supply the community, and do NOT change how electricity is delivered over the transmission or distribution grid. In Exeter's case, Unitil will remain the utility that is responsible for maintaining the distribution grid and delivering electricity purchased by the program to participating customers. The difference is that the source of the electricity will be chosen by the CPA rather than by Unitil's default energy provider. Customers will have the option to not participate in Exeter's program and continue meeting their electricity needs either through Unitil's default electricity supplier or through a third-party competitive supplier. At the present time we estimate that between 8-10% of residential electricity customers and nearly 40% of commercial and industrial customers in Unitil's service area already choose to purchase their electricity supply through a third party and do not use the utility default supply. The adoption of an Exeter CPA will have no effect on those customers, other than providing them with the option to request to "opt-in" to the program. Details about how customers would participate in Exeter community Power are found in Section 5 of this document.

Why Now?

Community Power Aggregation is not new to New Hampshire and has in fact been allowed since 1996 when RSA 53-E and other statutes associated with electric utility restructuring were enacted. While allowed since then, community power programs have not been used successfully in New Hampshire because of impediments that existed in how the aggregation could be implemented. Those impediments made it difficult to reach the critical mass of customers necessary to establish competitive electric supply contracts. In 2019, changes were made to RSA 53-E that allowed programs to be established under an "opt-out" basis, meaning the community power program can now be set as the default energy source for customers currently receiving the Unitil default energy service unless they choose otherwise. Since this change numerous communities in New

Hampshire, like Exeter, have started to work on developing community power and a statewide coalition of municipalities has formed to facilitate this development (the “Community Power Coalition of New Hampshire”). Responding to this new opportunity, and upon recommendation from the Exeter Energy Committee, the Select Board charged the Exeter Community Power Aggregation Committee with evaluating the advisability of, and preparing a plan for, implementing community power in Exeter.

Approval Process for Exeter’s Community Power Aggregation Plan

This Electric Aggregation Plan was developed by the Electric Aggregation Committee with due input from the public, as required under RSA 53-E. Public hearings were held on November 29th and December 13th, 2021. (See Appendix for Public Hearing Notice.)

The Electric Aggregation Committee has determined that this Plan satisfies applicable statutory requirements and is in the best, long-term interest of the Town and its residents, businesses, and other ratepayers.

Adoption of this Plan, which is subject to approval by a majority of those present and voting at Town Meeting, will establish Exeter Community Power as an approved electric aggregation program with statutory authorities defined under RSA 53-E:3, to be exercised with due oversight and local governance, as described herein, and will authorize the Exeter Select Board to arrange to procure the necessary professional services and power supplies to implement Exeter Community Power.

Implementation Steps

If this Plan is adopted at Town Meeting, the Select Board and Committee will begin work on implementing the program. This will involve a number of steps, including:

- Submitting the Plan for approval by the Public Utilities Commission, and to Unitil and the Office of the Public Advocate on the same day ;
- Jointly soliciting and contracting for third-party services, electricity supply and staff support to launch and operate the Community Power programs through the Community Power Coalition of New Hampshire (CPCNH), or, seeking proposals and contracting for the necessary services, staff support and energy supply sources independently; and
- Developing and publicizing community power program details for customers, including supply alternatives, rate offerings and opt-out procedures.

As the program develops three things will remain constant: (1) Unitil will continue to be our utility, meaning they will continue to deliver electricity to customers, own and operate the distribution system (poles, wires, transformers, substations, etc.) and in most cases, provide account and billing services. (2) Participating in the Exeter Community Power will be completely voluntary. After the electricity rates to be offered under the program are established, customers will be notified and may choose to opt-out of the program, staying with Unitil’s default energy service. (3) Any costs associated with operating the program will be incorporated into rates paid by Exeter Community Power customers only and will not be passed on to customers who choose to opt-out of the program. If it is determined before the program is launched that Exeter Community Power will be unable to offer default electric rates that are initially lower than or competitive with the fixed energy

service charge rates offered by Unitil for residential and general service customers (rate schedules D and GS-2), then implementation of the program will not move forward. The program will not launch unless and until those conditions change.

2. Exeter Community Power: Purpose, Goals and Objectives

For at least the last 10 years, the Town of Exeter has contracted for its municipal energy supply through a municipal energy broker, achieving more stable and often lower rates and access to a broader choice of energy sources and suppliers. For example, with the Town's most recent contract with energy supplier ENGIE LLC, signed in May 2021, the Town will be paying 7.45 cents/kWh whereas as of December 2021 the utility default energy service rate for small to medium non-residential customers has increased from 6 cents/kWh to 15.4 cents/kWh and the residential rate has increased from 7.1 cents/kWh to 17.52 cents/kWh for the next six months due to a spike in energy supply costs. Under Community Power, the same opportunity to seek out more advantageous energy supply contracts can be extended to the entire customer base of the Town.

The **purpose** of the Community Power Aggregation in Exeter is to allow the Town to aggregate retail electric customers to provide more competitive access to competitive supplies of electricity and related services. The intended result will be to offer more customers greater choice to select energy sources, especially renewable sources, at more competitive rates than currently available.

The primary **goals** of the program are as follows:

- Expand and accelerate the use of renewable electric energy in Exeter by making such sources more accessible and affordable to all electric energy customers;
- Facilitate the development of and access to local renewable energy projects; and
- Facilitate the development of innovative energy services and programs available to residents and businesses including smart meters, distributed storage and energy efficiency programs, EV charging, and training and education programs.

These goals are supported by the following **objectives**:

- **Choice and Access.** Expanded choice and access to energy suppliers: Most customers presently do not take advantage of the existing option to choose among energy suppliers. The Exeter Community Power Aggregation program will create readily accessible options for customers to choose from at competitive rates;
- **Regional and Statewide Collaboration.** Collaborate with other municipalities regionally and statewide to expand the aggregation market, share services and expertise, and develop priority projects;
- **Affordable Renewable Energy.** Through access to larger aggregation markets, improve affordability of renewable energy supply options;

- **Partnership with Unitil.** Create a strong collaborative partnership with Unitil in developing and delivering innovative programs and services;
- **Fiscal Stability.** Ensure fiscal stability through robust energy supply risk management and by establishing strong financial reserves funded through program revenues.
- **Energy Resilience:** Over time, Exeter Community Power will support the development of innovative local energy projects to improve resiliency in power supply. These may include residential battery / back-up power projects, independent electric vehicle charging networks and community microgrids at critical facilities; and
- **Prioritize Clean Energy.** Exeter Community Power will prioritize the development of cost-effective projects that promote the use and development of renewable energy, including:
 - Partnering with businesses and towns in the region to develop renewable energy projects, storage facilities, EV charging stations networks, etc.
 - Support individual residential and business customers in adopting new clean energy technologies and reducing energy consumption.

3. Implementing Community Power in Exeter

The basic process for implementing Community Power Aggregation in New Hampshire is established under RSA 53-E, titled *Aggregation of Electric Customers by Municipalities and Counties*. The law outlines both the steps that are used to establish a community power program in New Hampshire, and the minimum standards that such programs must meet.

A. Requirements per RSA 53-E

At a minimum, the following steps are cited in the statute:

1. The governing body (Select Board in Exeter) may form an electric aggregation committee.
2. The aggregation committee drafts a community power aggregation plan, which must:
 - 2.1. Provide for universal access, reliability, and equitable treatment of all classes of customers subject to any differences arising from varying opportunities, tariffs, and arrangements between different electric distribution utilities in their respective franchise territories;
 - 2.2. Meet, at a minimum, the basic environmental and service standards established by the Public Utilities Commission and other applicable agencies and laws and rules concerning the provision of service under Community Power; and
 - 2.3. Detail the following elements: organizational structure; operations and funding; rate setting and other costs; whether program established as op-in or opt-out; method for entering and terminating

agreements; rights and responsibilities of program participants; how customer net-metering is accounted and compensated; how eligible CPA customers may receive discounted services; how the program may be terminated.

3. As part of the planning process the aggregation committee must solicit public input and hold public hearings.
4. The aggregation committee must determine that the plan is in the best long-term interest of the municipality and its ratepayers.
5. The Select Board may choose to submit the final community power aggregation plan to Town Meeting for adoption.
6. Once adopted, if the Plan calls for the 'opt-out' of the program alternative default service, the municipality must mail written notification to all affected utility customers including description of the program, implication and their rights and responsibilities as participants. The notification must be made at least 30 days before the program begins.
7. A public information meeting must be held to explain the program and answer questions (held within 15 days of above notification).
8. Customers must be afforded the right to opt-out of the power aggregation program's alternative default service anytime within 30 days of notification of rates of such service.

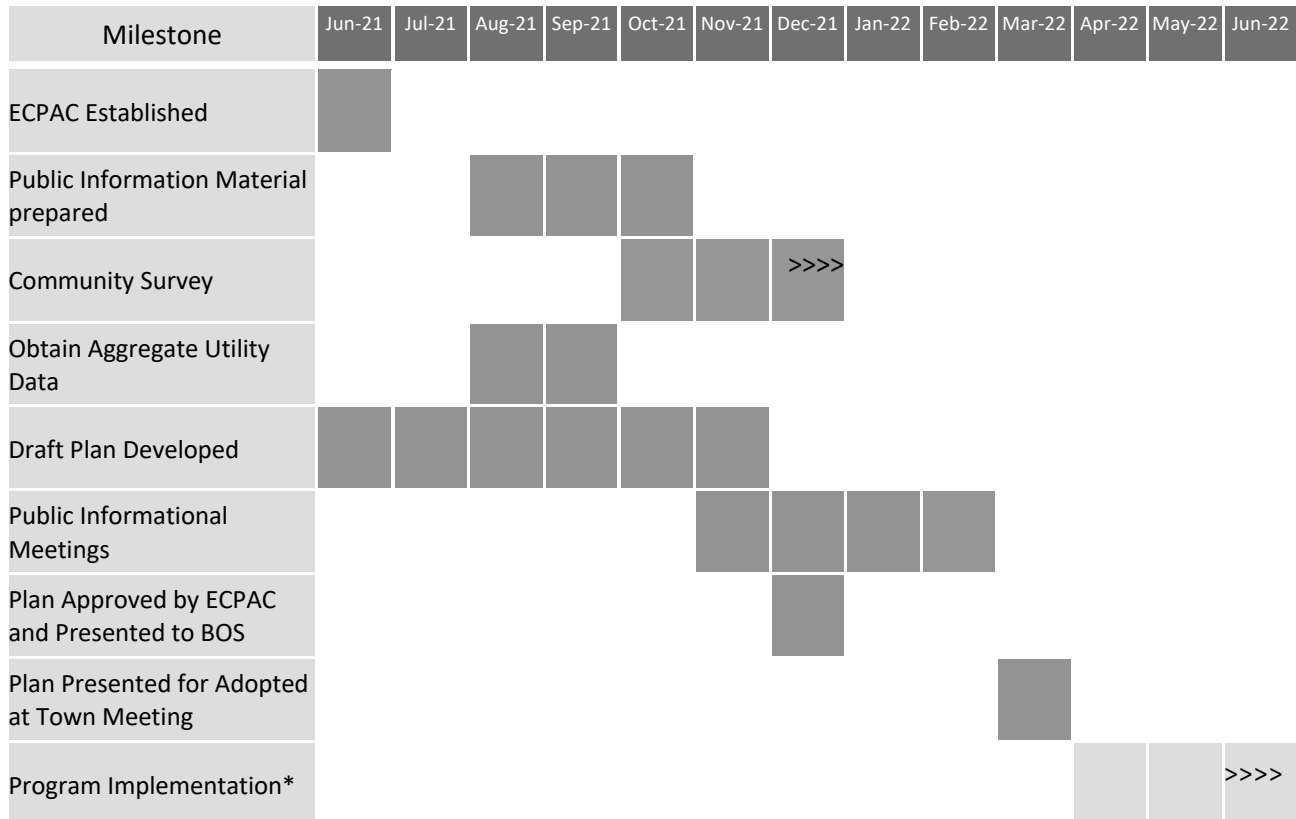
In addition to complying with this process, the Plan must meet certain criteria. As noted, if designed as opt-out, affected customers must be given the right to opt-out within 30 days of notification of the rate of the alternative service. Customers on the utility's default service that do not opt-out will be automatically enrolled in the new community power aggregation program's default service. They may also choose alternatives to the default supply that Exeter Community Power may offer, such as ones with a higher renewable energy content. Customers that already receive service from a competitive energy supplier will not be automatically enrolled in Exeter's program, but may request to opt-in if they choose and if allowed under the contract terms of their existing supplier agreement. Customers that are new to the utility after the initial program launch (e.g., new customers) will have the choice of enrolling in either the utility default service or the community aggregation program's default service. The law also addresses important cost sharing and confidentiality issues. The plan must ensure that customers who do not participate in the aggregation program are not responsible for any costs associated with the program. The Town may, however, operate the program as a self-supporting enterprise and additionally has the option of using revenue bonds to support costs, subject to separate voter approval. Customer data must be treated as confidential and private and not subject to public disclosure under the right to know law (91-A).

This Plan is designed to be fully compliant with the requirements of RSA 53-E and consistent with industry best practices. Lastly, while the Public Utilities Commission has not yet adopted CPA Administrative Rules, this plan commits Exeter Community Power to complying with such rules (once adopted) along with any additional environmental and service standards established by the Public Utilities Commission and other applicable agencies and laws and rules concerning the provision of service under Community Power.

B. Proposed Timeline for Implementation

The following chart portrays the approximate timeline for the development and implementation of Exeter Community Power. It assumes that the Exeter Select Board determines that the Plan be submitted to Town Meeting for approval at this coming March 2022 or at a subsequent Town Meeting. If approved at Town Meeting the program's implementation will then depend on when the Public Utilities Commission adopts the required rules for Community Power Aggregation and approves Exeter's Community Power Program as presented.

PROPOSED TIMELINE



* This timeline will depend on PUC approval of Exeter's program and when CPA Administrative Rules are adopted.

C. Parameters of Implementation

The Exeter Community Power Program will adhere to implementation parameters as outlined below. The program will proceed with its launch only if it is able to offer default rates that are initially lower than or competitive with the fixed energy service charge rates offered by Unitil for residential and general service customers (rate schedules D and GS-2). Thereafter, the program will:

- Serve as the default electricity supplier for all customers on a default "opt-out" basis;
- Offer innovative services and generation rates to customers on an "opt-in" or "opt-up" basis (such as 100% renewable premium products, time-varying rates and Net Energy Metering generation credits for customers with solar photovoltaics);

- Operate on a competitive basis, in that customers may choose to switch between Exeter Community Power, service provided by competitive electric power suppliers, and utility-provided default service; and
- Be self-funded through revenues generated by participating customers (the Town will not use taxes to cover program expenses).

4. Program Organization and Administration

Upon approval of this plan by adoption at Town Meeting, Exeter Community Power will be authorized to arrange for the provision of electricity and related services to customers within the Town. As detailed in Section 5, customers currently receiving power through Unitil's default service will be automatically enrolled in Exeter Community Power unless they choose to opt-out, and customers on competitive supply may request to opt-in to the program. The distribution of the purchased electricity will continue to be the responsibility of Unitil and the costs of distribution and related services will be paid to Unitil.

A. Organizational Structure

- **Town Meeting:** In accordance with RSA 53-E:7, the Exeter Town Meeting, as the Legislative Body for the municipality, will, by majority approval of those present and voting, decide whether to adopt the Community Aggregation Plan and thereby authorize the establishment of the Exeter Community Power Program. A Warrant Article pertaining to this question will be prepared by the Select Board to be included in the Town Meeting Warrant for the Exeter Energy Aggregation Plan.
- **Exeter Community Power Aggregation Committee (ECPAC):** Within parameters established by the Select Board, the Aggregation Committee will provide advisory support to the Town as to the ongoing operation of the program, power procurement options, interactions with service providers and overall performance of the program. The Committee may also make recommendations to the Select Board regarding participation in the Community Power Coalition of New Hampshire (CPCNH) and regarding entering into such agreements necessary to implement the program. Additionally, the Select Board may direct the Electric Aggregation Committee to continue to hold meetings for the purpose of providing community input.
- **Select Board:** The Exeter Select Board will have overall responsibility for the Exeter Community Power Program, including oversight and overall governance and will be authorized to contract for the necessary services and power supplies to implement and operate the program, set customer rates prior to program launch and continue to provide oversight over the program thereafter.

After consultation with the Town Manager and Exeter Community Power Aggregation Committee, the Select Board may (1) decide to conduct a competitive solicitation to hire a Community Power Broker / Service Provider, and may also collaborate with other interested municipalities to conduct this solicitation or (2) determine that the public interest is best served by participating fully in the Community Power Coalition of New Hampshire (CPCNH) to provide for the launch and operation of Exeter Community Power.

These two options have different organizational structures, as summarized below.

Under the Community Power Broker / Service Provider option:

- **Town Manager:** If so designated by the Select Board, the Town Manager (or their designee) would be responsible for carrying out a competitive solicitation process, and may coordinate with other interested municipalities to conduct a joint solicitation, to hire a Community Power Broker / Service Provider. Thereafter, the Town Manager would provide management oversight of the Exeter Community Power program, including direct oversight of the contracts for power purchasing, customer services, utility relations and fiscal management.
- **Community Power Broker / Service Provider:** The broker / service provider would manage certain Program activities under the direction of the Town Manager or designee. Their responsibilities would include, among others, coordinating and interacting with Unital, developing and implementing customer communication and education activities, providing periodic reports to the Town and negotiating an Electric Services Agreement (ESA) with a Competitive Electric Power Supplier (CEPS).
- **Competitive Electric Power Supplier (CEPS):** The Competitive Supplier would be relied upon to provide all-requirements electricity for the program, along with customer services including staffing web and telephone based services, and would fulfill other responsibilities as detailed in the Electric Services Agreement (ESA), under terms deemed reasonable and appropriate for the retail electric customers by the Town Manager.

Under the Community Power New Hampshire (CPCNH) option:

- **Exeter's appointed CPCNH Member Representative** (currently, members of the Select Board and ECPAC) would continue to serve on the Coalition's Board of Directors to help oversee the start-up and operation of the agency, provide input regarding the Coalition's public advocacy on matters of policy and regulation, provide feedback and direction to the Coalition's service providers and staff as operations and customer services evolve over time, and report back regularly regarding the performance of Exeter Community Power and on any matter that warrants attention or requires action by the Select Board.
- **The Select Board** would review and approve the CPCNH Member Cost Sharing Agreement (which would specify the Town's choice of services that Exeter Community Power would rely on CPCNH to provide) along with the Energy Risk Management and Financial Reserves Policy prepared by CPCNH (which would govern the program's power procurement and rate-setting decisions). The Select Board may also delegate certain decision-making authorities to the Town Manager and/or Exeter's appointed Member Representative, from time to time, as required to carry out their oversight responsibilities on behalf of Exeter Community Power.
- **The Community Power Coalition of New Hampshire** would issue a competitive solicitation for the services and credit support necessary to operate the new power agency and would thereafter be relied upon to procure electricity and provide all the services required to launch and operate Exeter

Community Power (alongside the programs of other participating municipalities across the state). Note that the Coalition would manage Exeter's power supply in accordance with the aforementioned agreement and policy approved by the Select Board (which would, for example, stipulate the Town's choice of how to balance considerations of cost versus higher renewable power content).

- **The Community Power Coalition of New Hampshire's Board of Directors** would govern the power agency to ensure that the power agency provides the services necessary to carry out each of its members stated policy requirements, such as: increased renewable and local power sources, competitive rates, the accrual of financial reserves, and the promulgation of local programs. The Coalition's Board would carry out its responsibilities in accordance with the processes specified in the Coalition's Joint Powers Agreement, including by establishing a number of committees (also composed of Member Representatives) that meet regularly to provide additional oversight over specific areas of focus — such as the Executive Committee, Finance Committee, Governance Committee, Member Operations and Engagement Committee, Regulatory and Legislative Affairs Committee, and Risk Management Committee. For example, the Risk Management Committee (which includes one of Exeter's appointees) has been tasked with managing the competitive solicitation for services and credit support described above.
- **Unitil:** Unitil will continue to own and operate the distribution grid and be responsible for delivering power to all customers within the Town through that system and, in most cases, for billing Exeter Community Power customers for electricity use. As they are now, customers will be charged for utility delivery services at rates set by the Public Utilities Commission.

B. Administration

The administration will be carried out based on the division of responsibilities and tasks as described in the previous section.

C. Methods for Entering into and Terminating Agreements

This Electric Aggregation Plan authorizes the Exeter Select Board to negotiate, enter into, modify, enforce, and terminate agreements as necessary for the implementation and operation of Exeter Community Power and to delegate such authorities to the Town Manager and/or the Town's appointed CPCNH Member Representative as they deem appropriate.

D. Termination of the Community Power Program

There is no planned termination date for Exeter Community Power. As envisioned, it will continue for as long as its goals are being achieved and electric customers in Exeter are deriving the intended benefits from the program.

The program may be terminated by affirmative vote of the Town Legislative Body (Town Meeting). Following termination, the Exeter Community Power Program would cease operations after satisfying any obligations contractually entered into prior to termination, and after meeting any advance notification period or other applicable requirements in statute or regulation. Upon cessation of operations, participating customers would

either be transferred to default service provided by Unitil or to a competitive electric power supplier of their choosing.

In the event of a decision to terminate the program, Exeter Community Power will provide at least 90 days advance notice regarding the planned termination of the program to participating customers, the Community Power Coalition of NH, the Public Utilities Commission and Unitil.

Upon termination, the balance of any funds accrued in the program's financial reserve fund and other accounts, if any, would be available for distribution or application as directed by the Exeter Select Board and in accordance with any applicable law and regulation.

5. Customer Participation

A. Notification and Enrollment

Prior to launch of Exeter Community Power, a written notification will be mailed to every Unitil retail electric customer in the Town. The Notice will contain instructions on how to "opt-out" or request to "opt-in" to the program, depending on whether they currently are on default service provided by Unitil or take service from a Competitive Electric Power Supplier:

- Customers already served by Competitive Electric Power Suppliers will be notified and may request to "opt-in" to the program; and
- Customers currently on default service provided by Unitil will be notified, provided the opportunity to decline participation, and thereafter transferred to Exeter Community Power if they do not "opt-out".

The notice will contain all required details regarding the Exeter Community Power Program, including a description of the program, the implications for Exeter, and customer rights and responsibilities under the program, including instructions for how to enroll in an optional program or product (see Section 7). The notice to customers on Unitil default service will additionally include the initial fixed rate and all charges for the program's default service that will apply.

All notices will be mailed to customers at least 30 days in advance of program launch and provide instructions for customers on how to opt-out or request to opt-in to the program (for example, by return postcard, calling a phone number or using a web portal). All such information and notifications will also be made available on the Town's website section established for the Community Power Program.

Optional products, such as energy supplies that have increased renewable power content in excess of the Renewable Portfolio Standard (RPS) content of the program's default product and other energy services may be offered on an "opt-in" basis. We expect those optional offerings, in addition to other related services, to develop and expand over time.

B. New Customers

After the launch of Exeter Community Power, and subject to applicable rules established by the Public Utilities Commission, new customers will be periodically notified by Exeter Community Power or its vendors, provided with the default service rates of both Unitil and Exeter Community Power, and transferred onto Exeter Community Power default service, unless they choose to “opt-out” and take service from Unitil or a Competitive Electric Power Supplier.

C. Opting-out of Exeter Community Power

Customers enrolled in the Exeter Community Power default service may opt-out of the service at any time, by submitting a request to transfer back to Unitil default service or to a Competitive Electric Power Supplier of their choosing. Such requests must be submitted with adequate notice in advance of the customer’s next regular meter reading by their distribution utility (Unitil), as if the customer were on utility-provided default service or as otherwise provided for by the Public Utilities Commission. (Customers requesting a transfer on dates other than their next available regular meter reading date may be charged an off-cycle meter reading and billing charge.)

Customers that have opted-in to an optional service product offered by Exeter Community Power may switch back to the Unitil default service or to a Competitive Electric Power Supplier, however, such optional service (for example an opt-up energy supply with higher percentage of renewable energy content) may be subject to different terms and conditions including longer cancellation notice requirements. This would be the case, for example, if an optional energy service had cancellation policies that differed from the default service or that had a specific contract term. Such terms and conditions will be disclosed in advance and as part of the service agreement.

D. Rights and Responsibilities of Program Participants

All participants will have available to them the same customer protection provisions of the law and regulations of New Hampshire, including the right to question billing and service quality practices, as they do under the existing default energy service option with Unitil. Customers will be able to ask questions of and register complaints with the Town, Unitil, and the Public Utilities Commission. As appropriate, customer complaints will be directed to either the Community Power Coalition of New Hampshire, or the broker / service provider / competitive supplier, or to Unitil or the Public Utilities Commission.

Participants will continue to be responsible for paying their bills and for providing access to their utility meter and other equipment necessary to carry out utility operations. Failure to do so may result in a customer being transferred from Exeter Community Power back to Unitil (the regulated distribution utility and provider) for default energy service, payment collections and utility shut offs under procedures subject to oversight by the Public Utilities Commission.

E. Customer Data Privacy

Exeter Community Power shall maintain the confidentiality of individual customer data in compliance with its obligations as a service provider under RSA 363:38 (privacy policies for individual customer data; duties and responsibilities of service providers) and other applicable statutes and Public Utilities Commission rules.

Individual customer data includes information that singly or in combination can identify a specific customer including the individual customer's name, service address, billing address, telephone number, account number, payment information, and electricity consumption. Such individual customer data will not be subject to public disclosure under RSA 91-A (access to governmental records and meetings). Suppliers and vendors for Exeter Community Power will be contractually required to maintain the confidentiality of individual customer data pursuant to RSA 363:38, V(b).

Aggregated or anonymized data that does not compromise confidentiality of individual customers may be released at the discretion of Exeter Community Power and as required by law or regulation.

F. Electric Assistance Program Eligibility

The statewide Electric Assistance Program (EAP) provides qualifying customers with a discount on their monthly electric bill ranging from 8% to 76% depending on income and other factors. Exeter Community Power will support income eligible and enrolled customers in the Electric Assistance Program in the same manner as they are now so that they continue to receive qualifying discounts.

Electric Assistance Program discounts for all eligible electric utility customers in New Hampshire are funded by all ratepayers as part of the System Benefits Charge, which is charged to all customers and collected by the electric utilities as part of their electric service and distribution charge.

At present, the Public Utilities Commission and utilities only support provision of the discount to individual customers when the customer's electricity supply charges are billed through the distribution utility. Exeter Community Power plans to rely on Unitil to bill customer accounts enrolled in the Electric Assistance Program. Therefore, the establishment of Exeter Community Power will result in no change in the provision or funding of this program.

G. Universal Access, Reliability and Equitable Treatment for Customers

The Plan provides for universal access for all customers by guaranteeing that all customer classes will be offered service under equitable terms and that all retail electric customers will have reliable access to the program. All customers presently enrolled in Unitil's default service supply will be eligible for automatic enrollment in the program, and they will be automatically enrolled in the Program unless they choose to opt-out. All customers enrolled in the program's default service will have the right to opt-out at any time with no opt-out charge.

As required by law, the program will ensure the equitable treatment of all classes of customers, subject to any differences arising from their varying opportunities and tariffs. Customers will be treated the same based on their circumstances. For example, any customers that request to opt-in after initially declining the opportunity to participate during the initial enrollment period may be offered rates that reflect how market prices have changed in the intervening period.

H. Education and Outreach

An Education and Outreach Plan will be implemented to fully inform and educate potential customers and participants in advance of enrollment in the Community Power Program. The purpose of the Education and

Outreach Plan is to raise awareness and provide retail electric customers with information concerning their opportunities, options and rights for participation in the Program.

Upon approval of this Plan, and prior to the start of the Community Power Program, a formal Education and Outreach Plan will be developed and implemented consisting of several components:

- **Initial Outreach and Education:** This will be conducted in advance of mailing customer notifications. It is intended to promote general awareness of the upcoming program, minimize any questions generated by the arrival of the customer notification and maximize recipients' ability to make an informed choice about their participation in the Program. This effort will include information about the goals of the Program, the basic terms and conditions including renewable energy components, and the opt- out process.
- **Customer Mailed Notification:** as described in Section A above, mailed customer notices will be a key component of Exeter Community Power's initial outreach and education initiative.
- **Opt-Out Period Education & Outreach:** The opt-out period will last a minimum of 30 days from the date of mailing of customer notifications. After notices have been sent, the Program will continue its education and outreach to provide residents and businesses the opportunity to learn more and find answers to key questions relating to their decision to opt-out or enroll in one of the optional products of the program. This will include, at a minimum and per RSA 53-E, a public information meeting within 15 days of sending written customer notifications.
- **Marketing Plan for Launch:** This component identifies the steps the Program may take in marketing, including identification of media and other community resources, examples of education and outreach documents, and an expected timeframe for the outreach effort.
- **Ongoing Outreach & Education:** Outreach and education activities will continue following Program launch. Key elements may include:
 - Program performance, particularly relating to competitive market prices, financial status and adoption of optional program products.
 - On-going campaigns to recruit participation into its optional product(s) that contain more renewable energy than required by law ("Opt-Up campaigns"). Increasing participation in these products will serve the stated Program goals to expand new renewable energy and increase overall renewable energy use.
 - Promotion and support of the NHSaves energy efficiency program, and other energy efficiency, weatherization programs and development of local alternative energy generation.

6. Operation and Funding

A. Operations

Exeter Community Power will contract with qualified vendors and carefully vetted suppliers to provide the services, credit support and electricity required to launch and operate the program.

This plan assumes, but does not require, that Exeter Community Power will participate fully in the Community Power Coalition of New Hampshire (CPCNH) by contracting operational services and power supplies jointly with other participating Community Power programs. Alternatively, the Town may choose to contract with a private third-party entity for services required and will formally evaluate the benefits and costs of each option.

CPCNH or the third-party contractors will be expected to fund the upfront cost of implementing Exeter Community Power, the expense of which will be amortized and recovered in the program's rates and charges to participating customers. The Program may also seek opportunities to apply for grant funding, either independently or through CPCNH.

Services provided by CPCNH or third-party entities required to launch and operate the program may include the following:

- Procurement of energy supplies;
- Energy portfolio risk management services;
- Wholesale load-serving entity services;
- Electronic data interchange services with the utility; and
- Customer data management, billing, contact management and communications (such as posting notifications, managing a call center and website, etc.).

Additional support services such as management and planning, budgeting and rate setting, local project development support, regulatory compliance, and legislative and regulatory engagement services (on matters that could impact the program and participating customers) will be addressed through a combination of CPCNH staff support and/or third-party services.

Exeter Community Power will provide "all-requirements" electricity supply for its customers, inclusive of all of the electrical energy, capacity, reserves, ancillary services, transmission services (unless otherwise provided for by Unitil), transmission and distribution losses, congestion management, and other such services or products necessary to provide firm power supply to participants and meet the requirements of New Hampshire's Renewable Portfolio Standard.

Electricity supply contracts will be executed or guaranteed by investment-grade entities, and suppliers will be required to use proper standards of management and operations, maintain sufficient insurance and meet appropriate performance requirements.

Additionally, RSA 53-E provides Community Power programs with authorities pertaining to meter ownership, meter reading, billing, and other related services. These authorities provide Exeter Community Power with the practical ability to help customers adopt and use innovative technologies (for example, building energy management, smart thermostats, backup battery storage systems, controllable electric vehicle chargers, etc.) in ways that save money, manage load, enhance grid resiliency and reduce the reliance on fossil fuels in our power supply.

While a broad range of innovative services are possible through community power, the implementation of these features and services will take some time to develop. Time is needed both to build the capacity to add these services but also to allow the Public Utilities Commission to adopt enabling rules and coordination with Unitil to adapt existing meter and billing system processes. Refer to section 7-A below for Exeter Community Power's near-term goals for its startup phase.

B. Costs, Funding and Rate Setting

All costs of the Exeter Community Power Program will be recovered in the rates and charges paid by participating customers, under the terms of either the CPCNH Member Cost Sharing Agreement or the Electric Service Agreement negotiated by a third party community power broker / service provider with a Competitive Electric Power Supplier (CEPS).

As stipulated by RSA 53-E, customers who choose not to participate in Exeter Community Power shall not be responsible for any costs associated with the program, apart from incidental costs incurred by the Town prior to the point at which the program starts producing revenue from participating customers. Incidental costs may include the cost associated with planning the establishment of Community Power, reviewing service contracts or the Coalition Joint Powers Agreement by the town attorney, but not any operational or capitalized costs of the program. Those costs are paid only by the participants.

Exeter Community Power will only launch if it is able to offer default rates that are initially lower than or competitive with the fixed energy service charge rates offered by Unitil for residential and general service customers (rate schedules D and GS-2). Going forward the program will strive to maintain competitive rates for all default service customers, as well as customers who opt-in or opt-up to receive optional retail products, while also working to achieve the program's goals. As stated earlier, a major focus of the Program, as set forth in this Plan is to make renewable electric source more available, accessible and affordable to Exeter customers.

In consultation with CPCNH, or the third party broker / service provider, and the Energy Aggregation Committee, the Select Board will adopt an Energy Risk Management Policy and Financial Reserve Policy to govern the program's power procurement and rate-setting decisions. Rates will be set at a level such that revenues from participating customers are projected to meet or exceed the ongoing operating and capital costs of the program.

To ensure the financial stability of Exeter Community Power, a portion of revenues will be deposited in a financial reserve account. In general, the fund will be restricted for uses such as:

- In the near-term, maintain competitive customer rates in the context of price fluctuations in the electricity market and other factors;

- In the medium term, as collateral for power purchase agreements (including for the development of new renewable and battery storage projects), and for additional credit enhancements and purposes that lower the program's cost of service; and
- Over the long term, may also be used to directly fund other program financial requirements, or to augment the financing for development of new projects and programs in the later years of the program, subject to the Select Board's approval.

Changes to the program's default service rates shall be set and publicly noticed at least 30 days in advance of any rate change. Meetings at which rate changes are considered will be public meetings, noticed in two public places at least 10 days in advance of the meeting.

7. Planned Product Options for Electricity Supply

A. General Approach

As stated earlier, some of the broader benefits of Exeter Community Power (see Section 2) will develop over time. The program's immediate objectives are: (1) to offer competitive default supply rates with higher renewable energy content, (2) accrue operational reserves sufficient to ensure long-term financial stability, (3) offer voluntary products that retail customers may opt-up to receive, such as higher Renewable Portfolio Standard (RPS) power, and (4) to set Net Energy Metering supply rates that at levels that allow local customer-generators (e.g. homes with solar panels or geothermal systems) to participate in the program.

The first phase in the startup of Exeter Community Power will focus on balancing competitive electric rates, renewable power content and the accrual of program reserves to meet these objectives.

B. Planned Initial Electric Supply Options

The table below provides an illustrative example of a default service product and optional "opt-up" products that could be offered to customers:

	DEFAULT SERVICE (automatic enrollment)	OPTIONAL PRODUCTS	
		Green Start ("Opt-Up" Option)	Green Prime ("Opt-Up" Option)
Attributes	Goal: 5-10% above Renewable Portfolio Standard (RPS)	~50% Renewable	~80-100% Renewable
Price	Meet or beat default utility rate at launch	Higher or competitive w/ default utility rate	Exceeds default utility rate

The products that Exeter Community Power initially offers to customers, and the rates charged for each product, will be refined and finalized in advance of program launch and as power purchase agreements are negotiated by the CPCNH or third party service providers on behalf of the Town.

C. Renewable Portfolio Standard Requirements

New Hampshire's Renewable Portfolio Standard (RPS) requires all electricity suppliers to obtain renewable energy credits ("RECs") for four distinct "classes" of renewables, each distinguishing between different technologies and dependent upon the year that the generators came online.

For 2021, Unitil is required to include 21.6% renewable energy in their energy supply. This minimum compliance requirement will increase incrementally to 25.2% by 2025 and remain fixed thereafter, absent an increase in the RPS.

Exeter Community Power will seek to procure voluntary renewables in excess of the RPS minimum requirements from "Class I" resources (as defined in Attachment 3). Additionally, the program could prioritize including as much renewable energy sourced from generating resources located in New Hampshire and New England as possible.

8. Inventory of Customer Electric Demand in Exeter

Electricity customers are classified into three broad categories in the table below (Municipal, Residential, and Commercial & Industrial), which shows the total number and annual electricity usage of all customers within Exeter. As of the drafting of this plan, we do not have information about the number of customers in each category currently use the Unitil default energy service versus those who already purchase electricity from a competitive supplier. Note that only non-municipal customers that are receiving Unitil default service would be automatically enrolled on an "opt-out" basis into the Exeter Community Power service.

System wide, according to recent "Customer Migration" PUC filings by Unitil, approximately 89% of all customers and 61% of annual kWh usage are classified under default supply. More detailed standardized demand data will be obtained from Unitil in advance of initiating procuring electricity. Refer to "Customer Data Privacy" in Section 5 above for details on how data confidentiality will be maintained in compliance with applicable statutes and regulations.

CUSTOMER ACCOUNT AND USAGE DATA - EXETER

	<u>Unitil</u> ALL CUSTOMERS		<u>Unitil Default Supply</u> <u>Customers</u> (Eligible for Opt-Out Notifications & Automatic Enrollment)		<u>Competitive Supply</u> <u>Customers</u> (Eligible for Opt-In Notifications & Voluntary Enrollment)	
	Customer Accounts	Annual Usage (MWh)	Customer Accounts	Annual Usage (MWh)	Customer Accounts	Annual Usage (MWh)
Municipal	820	7,348.1	not yet avail.	not yet avail.	not yet avail.	not yet avail.
Residential	7305	51,727.9	not yet avail.	not yet avail.	not yet avail.	not yet avail.
Comm & Ind	1083	89,075.2	not yet avail.	not yet avail.	not yet avail.	not yet avail.
Total	9208	148,151.2	not yet avail.	not yet avail.	not yet avail.	not yet avail.

Source: Unitil; information for 2020 calendar year.

9. Relationship with Community Power Coalition of New Hampshire (CPCNH)

Exeter is a founding member of the Community Power Coalition of New Hampshire (“the Coalition” or “CPCNH”), a Joint Powers Agency authorized under RSA 53-A (“Agreements Between Governments: Joint Exercise of Powers”) that will operate on a not-for-profit basis. RSA 53-A enables groups of communities to exercise the same powers that they are authorized to do individually.

Exeter has appointed representatives to the Coalition’s Board of Directors to help oversee and govern the new power agency. All meetings are subject to NH’s Right to Know Law and open to the public.

The Coalition was created to facilitate community power programs in towns, cities, and counties across New Hampshire. Specifically, the Coalition was established to assist in the following ways:

1. Access the resources and support required to streamline the process of establishing an Electric Aggregation Committee, drafting an Electric Aggregation Plan and approving a new Community Power program.
2. Jointly solicit and contract for third-party services and staff support to launch and operate Community Power programs, without requiring any upfront costs or imposing any financial liabilities on participating communities.
3. Participate in joint power solicitations and local project development opportunities.
4. Share knowledge and collaborate regionally on clean energy and resilient infrastructure development at the community-level throughout the state.

5. Advocate for Community Power Programs with the Legislature, and Public Utilities Commission and state agencies on public policy issues related to energy and Community Power.

The Coalition is governed by its community members under a joint powers agreement executed by each member with a voluntary and flexible membership structure. It is organized for the purpose of providing cost competitive electricity services on a statewide basis. See Appendix 7 for additional information about the Coalition.

This Aggregation Plan assumes, but does not require, that the Exeter Community Power program will rely upon the Coalition's member services to launch and operate the program. Based on the design and projected size of the Coalition, the Aggregation Committee anticipates that implementing community power in Exeter through CPCNH will result in cost savings, less need for town staff support and enhanced future access to innovative energy projects and services. However, the Select Board retains the authority to contract for any and all required program services and electricity supplies, and to pursue program implementation and future projects independently of the Coalition.

10. Net Metering Compensation

Net metering process in New Hampshire is governed by RSA 362 A. Under the provisions of this statute, customers who install renewable generation or qualifying combined heat and power systems up to 1,000 kilowatts in size are eligible to receive credit or compensation for any electricity generated onsite in excess of their onsite usage.

Any surplus generation produced by these systems flows back into the distribution grid and offsets the electricity that would otherwise have to be purchased from the regional wholesale market to serve other customers.

Currently, customer-generators are charged their full retail rate for electricity supplied by Unitil and receive credits for electricity they export to the grid based on Unitil's Net Energy Metering (NEM) tariffs.

Exeter Community Power, as governed by applicable PUC rules and guidance, intends to provide rates and terms that compensate participating customer-generators for the electricity supply component of their net metered surplus generation.

Customer-generators will continue to receive any non-supply related components (e.g., transmission and distribution credits) directly from Unitil, as specified under the terms of their applicable net energy metering tariff.

Certain aspects of administering net energy metering will require coordination between Unitil and Exeter Community Power. The enabling services and strategies that Exeter Community Power may pursue, in order to benefit and encourage customers to adopt distributed generation, include but are not limited to:

- Dual-billing customer-generators separately for supply services;
- Offering time-varying rates and alternative credit mechanisms to compensate customers for surplus generation;

- Streamlining the establishment of new Group Net Metering and Low-Moderate Income Solar Project groups;
- Facilitating interval meter and Renewable Energy Certificate (REC) meter installations for customer-generators; and
- Engaging at the Legislature and Public Utilities Commission to advocate for upgrades and reforms to metering and billing infrastructure and business processes to enable Net Energy Metering and other innovative services to benefit customer-generators.

Exeter Community Power's exact terms, conditions, and rates for compensating and crediting different types of Net Energy Metering customer generators in Exeter are not established at this time and will be set at duly noticed public meetings and fully disclosed to all prospective Net Energy Metering customers through the program's enrollment and rate setting notification processes as outlined in Sections 5 and 6.

11. Public Input Process

Efforts to inform the public about community power have already begun. The Exeter Community Power Aggregation Committee (ECPAC) has produced a brochure explaining community power programs and how Exeter might benefit from participation. In addition, ECPAC hosted a panel discussion aired on Exeter TV in which members of the Committee, a representative from Unitil, the town manager of Hanover and a founding member of the Community Power Coalition of NH addressed a set of frequently asked questions as well as questions from the viewing audience. Both the brochure and the panel's Q/A can be accessed on the ECPAC website and are included in the Appendix of this Plan.

Public Hearings required by RSA 53E took place on November 29, 2021 and December 13, 2021. These hearings were held to inform the public about community power in general, to explain the important features of Exeter's electric aggregation plan (EAP), and to invite questions, comments and input from the public on the draft EAP. Should the Exeter Select Board recommend the adoption of Exeter's EAP in a warrant article for town vote, members of ECPAC will be present at the deliberative session to hear comments and answer questions from town voters. If the town votes to accept the community power plan, ECPAC will then conduct additional efforts to reach out to the community, specifically to fully inform and educate potential customers and participants in advance of the implementation of the program. Specific steps for outreach that will be taken during program implementation are outlined in Section 5.H. above.

12. Amending the Electric Aggregation Plan

From time to time, it may be necessary to amend the Exeter Community Power Aggregation Plan. As provided for in RSA 53-E:7, such amendments or modifications to the Plan itself or to the electric aggregation program it establishes, once adopted by Town Meeting, may be made by the Select Board. Such amendments to the plan or program may be made following a duly noticed public hearing at which the amendments or modifications are presented.

13. APPENDICIES

1. Community Power Enabling Statute (RSA 53-E)
2. Public Information Materials
3. Community Power Survey
4. Exeter Community Power Question and Answers Script
5. Public Hearing Notice
6. Overview of the Community Power Coalition of New Hampshire
7. Available Utility Data